

November 26, 2008

Ms. Felicia Miller  
Project Manager  
c/o Dockets Unit, 4<sup>th</sup> Floor  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814-5512

Ref: Responses to California Energy Commission Staff for the Orange Grove Project (08-AFC-4)  
Pre-hearing Conference

Dear Ms. Miller,

In reviewing the project information, I have found that the applicant has not included all the viable projects in the study radius that may have significant ambient air impacts at the project site. I believe that the emissions from the project to be acceptable, but I believe that the project has not correctly represented the total potential ambient air quality impacts inclusive of the other projects in the study radius.

I support Staff's recommendation for the project to proceed with the requirement that SDG&E be held accountable to all aspects of the Authority to Construct, and eventually to operate, as they will become the long term owners of the site at the end of the PPA term. The 69 KV circuit that this project interconnects with has a serious shortage of capacity, and VAR instability issues as shown in the interconnection study performed for my company by SDG&E in 2004. It would lend itself to being run in excess of the maximum number of hours stated for the project. In this valley air basin, to operate the Orange Grove Project for longer than 3000 hours would encroach on having a material impact on the local air basin, and wildlife.

As someone who is intimately familiar with the environmental aspects of the project site, air quality is the over-riding issue of all the environmental impacts studied. In reviewing the Project information, I have found some areas of data I would like to address that in my opinion need additional information to support of Staff's recommendation.

1. No impact analysis that shows how project impacts the Pala's ambient air emissions and if the project would impact their Federal clean air act reporting. A simple analysis of the Project emissions being dissipated over the Pala Reservation (due east of the site) showing very low risk of impacting Pala's Federal Clean Air act requirement for reporting PM, Ozone, and other pollutants would be a show of good faith by the Project. Pala has collected ambient air data for

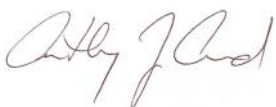
years in accordance to their Federal Clean Air Act reporting requirements for Federal Trust Lands and is acutely aware of the challenges facing the valley air basin. IF the project is permitted, and it impacts the Pala's air quality in a material fashion, the project should be bound to offset any air quality impacts (fines etc.) that stem from the operation of the project. Since SDG&E will own this project at the end of the PPA term, SDG&E should be bound to the permit and sign as a guarantor that the project will comply with all permitting requirements, such as limited annual hours of operation.

2. No impact analysis conducted by the California Air Resources Board pursuant to Title 20, section 1722.5.3(b) was provided in the Staff Assessment report
3. Under 1723.5.6(c) of Title 20, modifications to the design can be proposed to reduce the environmental impacts of the project:
  - a. Waste water from Pala's expansion project for its WWTP can supply the project. The project should be given the option in the permitting process to change between water supplies that are acceptable to the Agency if they become available in the future. This would require an additional study phase for the project to evaluate the impact of running a waste water supply pipe line approximately three miles from the east to the project site.
4. Under 1730 of Title 20, it is required of the Agency to make sure the project meets air quality standards, as in an ambient air quality standard. If all the projects within the proposed study radius have not been evaluated in context to the project, then this requirement has not been met. The applicant has not submitted an environmental analysis of the other projects that have conducted CEQA studies and are in the land use permitting channels. These projects include roughly 10,000 homes, a million square feet of industrial development, a commuter college, a rock quarry, and two casino expansions. The only project partially included in the applicants' documents is the Gregory Canyon Landfill. Attached are independent air emission calculations for some of the other projects as prepared for an upcoming Title 20 submission as an appendix to this letter. The surrounding projects include the Gregory Canyon Landfill, Rosemary's mountain rock quarry (Granite construction), Pardee Homes, Passerell, and Pappas developments (collectively referred to as the 3P's). Calculations of the construction and operational air emissions for each of these projects is attached as Appendix A.

I believe that it is my responsibility as an Intervenor to make staff aware of what I understand to be significant issues surrounding this project application, as I am directly impacted by this project in many ways. Once I have made the pertinent issues known to Staff, then my role in this effort is complete, and I will support Staff's decision on how to proceed with the Project.

Thank you for the opportunity to participate in the process.

Sincerely,



Anthony J Arand